
Public Utilities Commission of the State of California

***Public Agenda 3082
Thursday, February 21, 2002, 10 a.m.
San Francisco, California***

Commissioners
Loretta M. Lynch, President
Henry M. Duque
Richard A. Bilas
Carl W. Wood
Geoffrey F. Brown

For each agenda item, a summary of the proposed action is included; the Commission's decision may, however, differ from that proposed.

Website: <http://www.cpuc.ca.gov>

Scheduled Commission Meetings 505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> Room 5305 (1:30 p.m.) <i>Closed to the Public</i>	<i>Commission Meeting</i> Auditorium (10 a.m.) <i>Open to the Public</i>
✓Tuesday, February 19 @ 10:30 am	Thursday, February 21
Friday, March 1	Wednesday, March 6
Monday, March 18	Thursday, March 21
Monday, April 1	Thursday, April 4
Monday, April 15	Thursday, April 18

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held. A "✓" next to the date indicates that the meeting will be held. A "✓" next to the item number on the Agenda indicates that the matter will be considered during the Ratesetting Deliberative Meeting.*

A "◆" next to the item number on the Agenda indicates that the matter may be considered during Closed Session pursuant to Public Utilities Code Section 1701.2(c); thereafter the Commissioners will reconvene in Public Session to vote on the item.

Matters of Public Interest

For the convenience of the public and media representatives, items of widespread public interest will be taken up at the beginning of the meeting.



This location is accessible to people with disabilities. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, please call the Public Advisor at (415) 703-2074 or TTY# (415) 703-5282 or toll free # 1-866-836-7825 three business days in advance of the meeting.

PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.

CONSENT AGENDA

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

ORDERS AND RESOLUTIONS

- CA-1** **Res TL-18992** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- CA-2** **Res ALJ-176-3082** - Ratification of preliminary determinations of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.
- CA-3** **Res TL-18989.** This resolution cancels the authority granted to vessel common carriers to adjust their fares without specific Commission approval in response to fuel price increases. Carriers are ordered to cancel any surcharges or fare increases in effect under this authority within 20 days. (Section 311(g)(1).)
- CA-4** **Res TL-18988.** This resolution cancels the authority granted to passenger stage corporations to adjust their fares without specific Commission approval in response to fuel price increases. Carriers are ordered to cancel any surcharges or fare increases in effect under this authority within 20 days. (Section 311(g)(1).)

- CA-5 Res G-3330 – Southwest Gas Corporation (SWG).**
This resolution approves SWG's request for approval of an amendment to an existing service agreement for noncore intrastate transportation of natural gas with AFG Industries, Inc.
(Advice Letter 646 filed October 17, 2001)
- CA-6 A01-11-019 - The Alley Family Trust (Alley)/East Plano Water Company (East Plano) and Watertek, Inc. (Watertek).**
Joint Application of Alley, as sole owner of East Plano, to sell, and Watertek, for the following orders: (1) Authorizing Alley to sell and transfer to Watertek ownership of certain assets of East Plano, (2) Authorizing East Plano to withdraw from the water utility business; and, (3) Authorizing Watertek to engage in and carry on the water utility service to the customers of East Plano. This decision grants the transfer of authority from East Plano to Watertek. This proceeding is closed.
(Com Duque – ALJ Bushey)
- CA-7 Res TL-18990 - Great American Stageline, Inc. (Applicant).**
This resolution grants the request of the Applicant for voluntary suspension of its passenger stage corporation certificate for one year.
- CA-8 Res TL-18993 - Sureride, Inc. (Applicant).**
This resolution grants the request of the Applicant for voluntary suspension of its passenger stage corporation certificate for one year.
- CA-9 A01-07-021 - OneStar Communications, LLC (OneStar), One Star Long Distance, Inc. (OSLD), and CRG International, Inc., dba Network One (Network One).**
This decision grants this application for approval of transfer of control of OSLD and Network One to OneStar. This proceeding is closed.
(Com Duque – ALJ Evans)
- CA-10 A01-11-020 - Enhanced Communications Network, Inc. (ECN), and Pacific Telecom, Inc. (PTI).**
This application seeks approval under Section 854 of the Public Utilities Code of a transfer of control of ECN from its current shareholder to PTI through the sale of ECN's stock. Since ECN will continue to provide service in California as a wholly owned subsidiary of PTI, the applicants do not seek to transfer ECN's operating authority or its utility identification number, U-6162. The application is unopposed. The application is granted. This proceeding is closed.
(Com Brown – ALJ Walker)

- CA-11 Res W-4325 – Valencia Water Company.**
This resolution authorizes a decrease in rates by \$770,000.00 or 4.85 percent.
(Advice Letter 97 filed February 1, 2002)
- CA-12 A00-11-038 - Southern California Edison Company.**
For authority to institute a rate stabilization plan with a rate increase and end of rate freeze tariffs. A00-11-056, A00-10-028 – related matters. This decision awards Aglet Consumer Alliance \$22,593.61 in compensation for its contribution to D01-01-018.
(Com Lynch – ALJ DeBerry)
- CA-13 A01-09-009 – ETA Transportation, LLC (Applicant).**
This decision authorizes Applicant to operate as a passenger stage corporation between certain points in North San Diego County and McClellan-Palomar Airport. This proceeding is closed.
(Exam Horner)
- CA-14 A01-05-063 – Santa Clara Valley Transportation Authority (VTA).**
This decision grants the request of VTA to construct an at-grade crossing at Race Street and Parkmoor Avenue, and an at-grade pedestrian crossing at Race Station by the light rail transit line of the Vasona Light Rail Project in the City of San Jose, Santa Clara County. This proceeding is closed.
(Exam Horner)
(Agenda 3081, Item CA-20, 2/7/02; Req - Commission)
- CA-15 A01-05-064 - Santa Clara Valley Transportation Authority (VTA).**
This decision grants the request of VTA to construct an at-grade crossing at Bascom Avenue and Stokes Street, and an at-grade pedestrian crossing at Bascom Station by the light rail transit line of the Vasona Light Rail Project in the City of San Jose, Santa Clara County. This proceeding is closed.
(Exam Horner)
(Agenda 3081, Item CA-21, 2/7/02; Req - Commission)
- CA-16 A01-12-004 – Southern California Edison Company (Edison).**
This decision grants the unopposed application of Edison to convey a lease of its property located on the Gould-Mesa Transmission Right of Way in Pasadena, California, to Ganji Development Company pursuant to Pub. Util. Code § 851. This lease will permit Ganji to operate a full-service car wash on the site. This proceeding is closed.
(Com Wood – ALJ Prestidge)

CA-17 A01-12-011 – Park Water Company (Park Water).

This decision grants Park Water authority to issue its First Mortgage Bonds in the aggregate principal amount not to exceed \$10,000,000 to reimburse its treasury. This proceeding is closed.

(Exam Jackson)

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

NOTE: Ex Parte Communications are prohibited on H-3, H-3a, H-4, H-4a, and H-4b from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on these Items is scheduled. (Rule 7(c)(4)).

H-1 A00-07-043 - Pacific Gas and Electric Company (PG&E).
For authority, among other things, to increase rates and charges for electric service effective on January 1, 2001. PG&E sought an attrition increase of \$184,575,000 starting January 1, 2001. The Office of Ratepayers Advocates (ORA) and others opposed. This decision grants an increase of \$150,838,000, based on the effect of inflation in 2001 on 1999 forecast expenses and on rate base. An inflation increase for 2000 is denied. The \$22.8 million balance in PG&E's Vegetation Management Balancing Account is credited to PG&E's Transition Revenue Account. ORA's proposal to refund the \$22.8 million directly to ratepayers is denied. The authorized increase is effective for tariff filing purposes January 1, 2001 as required by D00-12-061. However, because of the rate freeze, rates will not increase. This proceeding is closed.
(Com Wood – ALJ Barnett)
(Section 311(d).)
(Agenda 3077, Item CA-4, 12/11/01; Agenda 3081, Item H-1, 2/7/02; Req - Commission)

H-2 A00-11-025 – San Diego Gas & Electric Company (SDG&E).
For authority to incur additional indebtedness for working capital purposes in an aggregate principal amount not to exceed \$800 million, inclusive of amounts otherwise authorized by Public Utilities Code Section 823, at any one time outstanding. This decision addresses the petition to modify D01-02-011 filed by SDG&E. In its petition, SDG&E asks the Commission to modify D01-02-011 to grant SDG&E authority to issue debt secured by a pledge of SDG&E's property, plant, and equipment for the purpose of financing SDG&E's AB 265 undercollection. This proceeding is closed.
(Com Wood – ALJ Kenney)
(Agenda 3059, Item 6, 3/15/01; Agenda 3067, Item H-6, 7/12/01; Req - Commission)

- ✓**H-3** **A00-11-038 – Southern California Edison Company.**
For authority to institute a rate stabilization plan with a rate increase and end of rate freeze tariffs. A00-11-056, A00-10-028 – Related matters. This decision implements measures to allocate and collect \$10.003 billion in revenue requirements of the California Department of Water Resources covering the 2001-2002 period as prescribed under Assembly Bill 1X.
(Com Brown – ALJ Pulsifer)
(*Section 311(d).*)
(Agenda 3081, Item 1, 2/7/02; Req - Commission)
- ✓**H-3a** **ALTERNATE ORDER TO ITEM H-3.** This alternate decision reflects a number of minor changes to the Administrative Law Judge’s proposed decision and one significant change. The substantive change is that the alternate approves Southern California Edison’s proposal for allocation of Department of Water Resources’ revenue requirement instead of Pacific Gas and Electric Company’s proposal as is approved in the Administrative Law Judge’s decision.
(Com Wood)
- ✓**H-4** **A00-11-038 – Southern California Edison Company (Edison).**
For authority to institute a rate stabilization plan with a rate increase and end of rate freeze tariffs. A00-11-056, A00-10-028 – Related matters. This decision establishes cost-of-service revenue requirements for the utility retained generation (URG) of Pacific Gas and Electric Company, Edison, and San Diego Gas & Electric Company. URG reflects the utility-incurred costs associated with utility-owned generation assets and purchased power. This decision adopts a January 2002 to December 2002 URG revenue requirement of \$2.875 billion for PG&E, \$3.794 billion for Edison, and \$465.860 million for SDG&E. This decision authorizes recovery of actual and reasonably incurred costs and adopts balancing accounts for PG&E, Edison, and SDG&E to ensure that these costs will be recovered.
(Com Lynch – ALJ DeUlloa)
(*Section 311(d).*)
(Agenda 3081, Item 2, 2/7/02; Req - Commission)
- ✓**H-4a** **ALTERNATE PAGES TO ITEM H-4.** These alternate pages reflect a few minor changes to the Administrative Law Judge’s proposed decision. The only substantive change is that the alternate does not reduce Southern California Edison Company’s return on equity as is proposed in the Administrative Law Judge’s decision.
(Com Lynch)
(Agenda 3081, Item 2a, 2/7/02; Req - Commission)

- ✓**H-4b** **ALTERNATE ORDER TO ITEM H-4.** This alternate proposed decision establishes revenue requirements for the utility retained generation (URG) of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company. This decision adopts Edison's authorized return on equity, retains the Incremental Cost Incentive Plan for the San Onofre Nuclear Generating Station, clarifies the discussion regarding the timing difference between revenues received and taxes paid, and eliminates the Native Load and the Revenue Shortfall Balancing Accounts.
(Com Bilas)
- H-5** **A01-04-007 – Southern California Gas Company (SoCalGas).**
This decision addresses the terms and conditions upon which SoCalGas may sell the 14 Bcf of reclassified cushion gas at its Aliso Canyon and La Goleta storage fields.
(Com Lynch – ALJ Wong)
(Agenda 3073, Item 3, 10/10/01; Agenda 3080, Item H-1, 1/23/02; Req - Commission)
- H-5a** **ALTERNATE ORDER TO ITEM H-5.** This alternate draft decision authorizes SoCalGas to sell 100% of the 14 Bcf of reclassified cushion gas at the Aliso Canyon and La Goleta storage fields on the open market utilizing the sealed bid procedure as described in its July 6, 2001 comments. The determination of how the net proceeds should be allocated, and other ratemaking issues described in D.01-06-086, shall be addressed in Phase 2 of this proceeding.
(Com Brown)
(Agenda 3080, Item H-1, 1/23/02; Req - Commission)
- H-6** **A01-05-012 – SCX, Inc. (SCX).**
This decision approves the application of SCX to operate scheduled vessel common carrier service between San Diego and Oceanside, and unscheduled vessel common carrier service between San Diego, Oceanside, and Marina Del Rey, subject to the condition that SCX or protestant Sea Planes, Inc, may file a petition to modify this decision within six months of commencement of the service. This proceeding is closed.
(Com Bilas – ALJ Ryerson)
(Agenda 3079, Item CA-17, 1/9/02; Agenda 3081, Item CA-3, 2/7/02; Req- Commission)

H-6a **ALTERNATE ORDER TO ITEM H-6.** This alternate approves the application of SCX to operate scheduled vessel common carrier service between San Diego and Oceanside and unscheduled vessel common carrier service between San Diego, Oceanside, and Marina Del Rey, subject to the condition that SCX or protestant Sea Planes, Inc. may file a petition to modify this decision within six months of commencement of service. The alternate order reviews an environmental review performed by the San Diego Unified Port District and concludes that the review was conducted adequately.

(Com Wood)

H-7 **A01-05-049 – Southern California Edison Company (SCE).**
This decision grants SCE the authority to lease to Ventura Power Storage, LLC a 7.5-acre site located on a portion of SCE's Mandalay-Santa Clara 220-kilovolt (kV) transmission and 66-kV sub-transmission right of way in the City of Ventura. Ventura Power Storage would operate a self-storage facility on the site, a use that SCE states will not interfere with its utility operations. SCE is required to submit certain environmental documentation within 120 days. This proceeding is closed.

(Com Brown – ALJ Walker)

(Agenda 3074, Item CA-19, 10/25/01; Agenda 3079, Item H-4, 1/9/02; Req - Commission)

H-7a **ALTERNATE ORDER TO ITEM H-7.** This decision denies without prejudice, Southern California Edison Company's (SCE) request for authority to lease to Ventura Power Storage, LLC a 7.5-acre site located on a portion of SCE's Mandalay-Santa Clara 220-kilovolt (kV) transmission and 66-kV subtransmission right-of-way in the City of Ventura. Ventura Power Storage would operate a self-storage facility on the site, a use that SCE states will not interfere with its utility operations. This proceeding is closed.

(Com Wood)

(Agenda 3077, Item H-4a, 12/11/01; Agenda 3079, Item H-4a, 1/9/02; Req - Commission)

- H-8 A01-07-036 – Southern California Edison Company (SCE).**
SCE seeks authority to lease to Power Storage Industry, II, LLC (Power Storage) a 5.7-acre site located on a portion of SCE's Walnut 220/12-kilovolt (kV) substation in the City of Industry. Power Storage would develop a self-storage facility on the site, a use that SCE states will not interfere with its utility operations. The application is unopposed. The Commission grants the application but, based on our new procedure for applications like this one, the Commission requires SCE within 120 days to submit documents attesting to the appropriate environmental review of the project. This proceeding is closed.
(Com Bilas – ALJ Walker)
(Agenda 3073, Item CA-27, 10/10/01; Agenda 3079, Item H-5, 1/9/02; Req - Commission)
- H-8a ALTERNATE ORDER TO ITEM H-8.** Southern California Edison Company (SCE) seeks authority to lease to Power Storage Industry II, LLC (Power Storage) a 5.7-acre site located on a portion of SCE's Walnut 220/12-kilovolt (kV) substation in the City of Industry. Power Storage would develop a self-storage facility on the site, a use that SCE states will not interfere with its utility operations. The application is unopposed. The Commission denies the application, without prejudice. This proceeding is closed.
(Com Wood)
(Agenda 3077, Item H-6a, 12/11/01; Agenda 3079, Item H-5a, 1/9/02; Req - Commission)
- H-9 C01-07-022 - Christopher J. Rooney and Debra G. Polak
(Complainants) vs. Pacific Bell (Pacific).**
Complainants allege that Pacific violated Pub. Util. Code § 851 by selling a vacant strip of land in Calpella, California, without the approval of the Commission. Pacific has presented unchallenged evidence that the property is not now and never has been "necessary or useful" within the meaning of Section 851 of the Code. Commission approval is not required in a utility's sale of property not necessary or useful in the utility's performance of its duties to the public. The complaint fails to state a cause of action for which relief can be granted by this Commission. The complaint is dismissed. This proceeding is closed
(Com Duque – ALJ Walker)
(Agenda 3081, Item 5, 2/7/02; Req - Commission)

- H-10 I00-05-020 - Order Instituting Investigation into the status, rates, rules, operations, service, facilities, equipment, contracts and practices of the Union Pacific Railroad Company in the supply, distribution, and sale of water by the Keene Water System to the communities of Keene and Woodford in Kern County.** This decision addresses the issue of whether the Keene Water System operated by Union Pacific Railroad Company has been dedicated to public use for the benefit of the communities of Keene and Woodford in Kern County. The decision finds that dedication has occurred and that the Keene Water System is a public utility system subject to Commission jurisdiction pursuant to Public Utilities Code Section 2701. This proceeding is closed.
(Com Wood – ALJ DeUlloa)
(Section 311(d).)
(Agenda 3080, Item 1, 1/23/02; Agenda 3081, Item H-4, 2/7/02; Req - Commission)
- H-11 I01-12-010 – Order Instituting Investigation into the actions of Pacific Gas and Electric Company (PG&E), and its officers and employees for non-compliance with a Commission Decision.** This decision addresses PG&E’s uncontested proposal for resolving the issues arising from D01-10-059 and the Commission’s order instituting the investigation and related Order to Show Cause. PG&E shall pay a penalty and shall tender a Notice of Intent for a test year 2003 general rate case as set forth in the decision. This proceeding is closed.
(Com Brown – ALJ Wetzell)
(Agenda 3079, Item 10, 1/9/02; Agenda 3080, Item H-6, 1/23/02; Req - Commission)
- H-12 R02-01-011 – Order Instituting Rulemaking Regarding the Implementation of the Suspension of Direct Access Pursuant to Assembly Bill 1X and D01-09-060.** This decision suspends direct access as of July 1, 2001, rather than the September 20, 2001, suspension date of D01-09-060. It also implements the rules for those direct access contracts entered prior to July 1, holding that those contracts cannot be extended or assigned. This proceeding is closed.
(Com Wood - ALJ Barnett)
(Agenda 3081, Item 4, 2/7/02; Req - Commission)

H-12a **ALTERNATE ORDER TO ITEM H-12.** This alternate maintains a direct access suspension date of September 20, 2001. The Commission will consider exit fees in a separate proceeding (A00-11-038, et. al) to recover Department of Water Resources costs from direct access customers. This decision also implements and clarifies provisions of the direct access suspension.
(Com Brown)

H-13 **R97-04-011 - Order Instituting Rulemaking to Establish Standards of Conduct Governing Relationships Between Energy Utilities and Their Affiliates. I97-04-012 – Related matter.**
This decision revises the disclaimer requirement set forth in Section V.F.1 of the Affiliate Transaction Rules so that the revised language the Commission adopted for San Diego Gas & Electric Company and Southern California Gas Company will be made applicable to all utilities covered by the Rules. The decision also considers the implications of this revision on the penalty it assessed against Pacific Gas and Electric Company (PG&E) in D98-11-026 and D99-03-025. We determine that PG&E's penalty should be reduced to \$62,500, but not vacated because it is based on PG&E's violation of the legibility requirement, and is distinct from the portion of the Rule that we have subsequently found was not narrowly tailored to achieve an appropriate balance between utilities' commercial speech rights and the Commission's interest in promoting competition. These proceedings are closed.
(Com Bilas – ALJ Econome)
(Section 311(g)(1).)
(Agenda 3069, Item CA-4, 8/23/01; Agenda 3081, Item H-6, 2/7/02; Req – Commission)

H-13a **ALTERNATE ORDER TO ITEM H-13.** This alternate imposes a penalty of \$250,000 on PG&E.
(Com Bilas)

H-14 R97-10-016 - Order Instituting Rulemaking on the Commission's Own Motion into Monitoring Performance of Operations Support Systems. I97-10-017 - Related matter.

By this decision, the Commission adds the final piece to implement an operations support systems (OSS) performance remedies plan. This plan will provide incentives for the incumbent local exchange carriers (ILECs) to give competitors equitable access to their OSS infrastructure. The plan consists of performance measurements established in D01-05-087, performance criteria established in D01-01-037, and the monetary incentives we now adopt. The plan measures, evaluates, and charges an ILEC payments for OSS performance which could inhibit competition by disadvantaging the competitive local exchange carriers.

(Com Bilas - ALJ Reed)

(Section 311(g)(1).)

(Agenda 3080, Item 2, 1/23/02; Agenda 3081, Item H-7, 2/7/02; Req - Commission)

H-15 A99-12-012 - MCI WorldCom, Inc. (MCI) and Sprint Corporation (Sprint).

For approval to transfer control of Sprint's California operating subsidiaries to MCI. This decision grants intervenor compensation to three intervenors who participated in developing the record of this proceeding, as follows: The Utility Reform Network: \$84,616.04, a reduction of \$10,019.00 from its requested amount of \$94,635.04; The Utility Consumers' Action Network: \$31,362.18, a reduction of \$10,915.63 from its requested amount of \$42,277.81; The Greenlining Institute/Latino Issues Forum: \$90,647.16, a reduction of \$109,273.84 from its requested amount of \$199,921.00. This proceeding is closed.

(Com Lynch – ALJ Thomas)

(Agenda 3080, Item CA-4, 1/23/02; Agenda 3081, Item H-2, 2/7/02; Req - Commission)

H-16 C98-06-016 - The Utility Consumers' Action Network (UCAN) vs. MCI Metro Access Transmission Services, Inc. (MCI Metro).

This decision finds that MCI Metro has resolved all billing errors included in this proceeding, and that these errors support a fine of \$250,000 as requested by UCAN. MCI Metro's forthright and cooperative conduct in resolving these errors, however, mitigates the need for the fine. This proceeding is closed.

(Com Bilas - ALJ Bushey)

(Section 311(g)(1).)

Agenda 3053, Item 1, 12/21/00; Agenda 3076, Item H-9, 11/29/01; Req-Commission)

H-16a **ALTERNATE ORDER TO ITEM H-16.** This alternate order finds that MCI Metro, in compliance with D99-04-053, has resolved billing errors, and that these errors support a fine. This proceeding is closed.
(Com Wood)
(Agenda 3055, Item H-4a, 1/18/01, Continuation 1/26/01; Agenda 3076, Item H-9a, 11/29/01; Req- Commission)

ORDERS

NOTE: **Ex Parte Communications are prohibited on Item 2 from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on this Item is scheduled. (Rule 7(c)(4)).**

1 I00-03-002 - Order Instituting Investigation on the Commission's own motion into the deaveraging of unbundled network element rates within at least three geographic regions of the State of California pursuant to Federal Communications Commission Rule 47 C.F.R. § 51.507(f).

This decision grants the joint motion for a Settlement Agreement. As a result, on an interim basis this decision authorizes unbundled network element rates for three zones in the service area of Pacific Bell Telephone Company. The proceeding is closed.

(Com Wood – ALJ Mattson)

(Section 311(g)(1).)

✓2 A00-11-038 – Southern California Edison Company.

For authority to institute a rate stabilization plan with a rate increase and end of rate freeze tariffs. A00-11-056, A00-10-028 – related matters. This decision adopts a Rate Agreement between the Commission and the California Department of Water Resources. The adopted Agreement provides a mechanism for the recovery of the just and reasonable costs that the Department incurs pursuant to its authority under Assembly Bill 1X, as modified by Senate Bill 31 X.

(Com Lynch – ALJ Kenney)

3 R _____ - Order Instituting Rulemaking on the Commission's own motion to establish an appropriate error rate for connections made by an automatic dialing device pursuant to Section 2875.5 of the Public Utilities Code.

This rulemaking implements portions of AB 870 (Ch. 696, Stats. 2001) by establishing an acceptable error rate and business record policies concerning specified types of automatic dialing devices.

UTILITIES RESOLUTIONS AND WRITTEN REPORTS

TELECOMMUNICATIONS MATTERS

C-1 **Res T-16591.** This resolution approves the revision of General Order 153, Procedures for Administration of the Moore Universal Telephone Service Act, in accordance with recommendations received in the January 31, 2001 workshop, D00-10-028, D01-05-039, D01-09-064, Resolution T-16546 and letter issued by the Telecommunications Division on April 13, 2001.
(Section 311(g)(1).)

C-2 **Res T-16627 – Deaf and Disabled Telecommunications Equipment and Service Program (DDTP).**
This resolution establishes a January through June 2002 budget of \$27,061,998 for the DDTP pursuant to the provisions of D89-05-060 and Public Utilities Code Sections 2881 et seq. The surcharge rate of 0.48%, effective September 1, 2001 per Resolution T-16504, remains unaltered.

COMMISSIONERS' REPORTS

MANAGEMENT REPORTS

CLOSED SESSION

This notice is furnished under Government Code Sections 11125 and 11126.3. At any time during the meeting, the Commission may meet in Closed Session to consider any or all of the items listed below. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the disclosures required by Government Code Sections 11125.2 and 11126.3(f).

NON-FEDERAL ITEMS

ORDERS HELD OVER

- HEX-1 Conference with Legal Counsel – Applications for Rehearing**
A01-01-010 – Disposition of the rehearing application of D01-09-054 filed by Pacific Bell Telephone Company (Pacific). The decision affirmed the results adopted in the Final Arbitrator's Report, as modified, and approved the interconnection agreement between Pacific and MCImetro Access Transmission Services, L.L.C.
(Gov. Code § 11126(e)(2)(B)(i).)
(Agenda 3079, Item EX-10, 1/9/02; Agenda 3081, Item HEX-1, 2/7/02; Req - Commission)
- HEX-2 Conference with Legal Counsel – Initiation of Enforcement Proceeding**
Deliberation on institution of proceeding or disciplinary actions against person or entities subject to Commission's jurisdiction. (Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced and disclosure could also jeopardize the ability to effect personal service on the Respondent.)
(Gov. Code §§ 11126(d)(2), 11126(e)(2)(C)(i).)
(Agenda 3077, Item EX-5, 12/11/01; Agenda 3081, Item HEX-4, 2/7/02; Req- Commission)

HEX-3 Conference with Legal Counsel – Initiation of Enforcement Proceeding
Deliberation on institution of proceeding or disciplinary actions against person or entities subject to Commission's jurisdiction. (Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced.)
(Gov. Code § 11126(d)(2), 11126(e)(2)(C)(i).)
(Agenda 3076, Item EX-6, 11/29/01; Agenda 3077, Item HEX-6, 12/11/01; Req - Commission)

HEX-4 Conference with Legal Counsel – Application for Rehearing.
A01-05-032, A01-05-043 and A01-05-044 – Disposition of Applications for Rehearing of Resolution M-4801, filed by the California Association of Competitive Telecommunications Companies, Southern California Edison Company and San Diego Gas & Electric Company/Southern California Gas Company, respectively. On April 19, 2001, by Resolution M-4801, the Commission confirmed staff's authority to suspend the effectiveness of advice letter filings of tariff changes.
(Gov. Code § 11126(e)(2)(B)(i).)
(Agenda 3071, Item EX-8, 9/20/01; Agenda 3081, Item HEX-2, 2/7/02; Req - Commission)

ORDERS

- EX-1 Conference with Legal Counsel – Applications for Rehearing**
Compilation of applications for rehearing recently filed with the Commission.
(Gov. Code §. 11126(e)(2)(B)(i).)
- EX-2 Conference with Legal Counsel – Threatened Litigation**
Significant exposure to litigation.
(Gov. Code § 11126(e)(2)(B).)
- EX-3 Conference with Legal Counsel – Initiation of Litigation**
Consideration of possible Commission initiation of, or intervention in, litigation.
(Gov. Code § 11126(e)(2)(C)(i).)
- EX-4 Personnel Matters**
Consideration of appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee.
(Gov. Code § 11126(a).)
- EX-5 Conference with Legal Counsel – Applications for Rehearing**
C97-09-032 - Disposition of the application for rehearing filed by Pacific Bell of D01-09-053. The decision grants a petition for modification of D00-04-034, which ordered Pacific Bell to pay damages to MCI for breach of contract but does not specify an interest rate for the damages. D01-09-053 grants the statutory interest rate of 10%.
(Gov. Code § 11126 (e)(2)(B)(i).)
- EX-6 Conference with Legal Counsel – Existing Litigation.**
Hunt v. CPUC, Case No. 310671 (San Francisco Superior Court)
(Gov. Code § 11126(e)(2)(A).)

FEDERAL ITEMS

- FEX-1 Conference with Legal Counsel – Initiation of Litigation**
Consideration of possible Commission initiation of, or intervention in,
federal agency or court proceedings.
(Gov. Code § 11126(e)(2)(C)(i).)

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